Portland Cement Association

May 7, 2007

Honorable Linda S. Adams
Secretary
California Environmental Protection Agency
1001 I Street
P.O. Box 285
Sacramento, CA 95812-2815

Re: Perspectives of California Cement Manufacturers on Proposed Early Action Stakeholder Suggestions

Dear Secretary Adams:

I am writing to you on behalf of the manufacturers of portland cement in California, all of whom are members of the Portland Cement Association (PCA). PCA is a trade association representing cement companies in the United States and Canada. PCA's U.S. membership consists of 45 companies operating 106 plants in 35 states and distribution centers in all 50 states servicing nearly every Congressional district. PCA members account for more than 95 percent of cement-making capacity in the United States and 100 percent in Canada.

I want to take this opportunity to share with you the perspectives of the California cement manufacturers on suggestions for early actions to address climate change in California, which are contained in a report recently issued by the Air Resources Board (ARB), titled "Proposed Early Action to Mitigate Climate Change in California," dated April 20, 2007.

As you are aware, the report contains a list of early action measures endorsed by ARB and also includes (in appendices) suggestions provided by other stakeholders. I am writing specifically about two stakeholder suggestions addressing the cement industry contained Appendix B of the report.

The two suggestions may be summarized as follows: (1) use cleaner blends of cement that are less carbon intense, and (2) use lower carbon content fuels in cement manufacturing.

500 New Jersey Avenue, NW
7th Floor
Washington, DC 20001
(202) 408-9494

Less Carbon Intense Cements

As to the first suggestion, the cement industry nationally, as well as in California, has long endorsed the use of cements that are less carbon intense. These cements, often called "blended cements," substitute a portion of the cement content with cement alternatives, such as fly ash (produced by the utility industry) and slag (produced by the steel industry). This substitution results in a reduction in greenhouse gas emissions. Market acceptance of these types of cements is still in the early stages. On a related note, large amounts of these cement substitutes are currently blended into concrete, resulting in the same type of greenhouse gas emission savings one would get from using blended cements.

In addition, California cement manufacturers have been working with Caltrans for several years to encourage the agency to adopt a cement specification which would allow manufacturers to grind limestone into cement. This practice could be employed immediately to reduce greenhouse gas emissions. Each ton of limestone used as a cement alternative reduces the cement industry's greenhouse gas emissions by one ton. PCA strongly encourages the blending of limestone with cements as a climate change solution.

Lower Carbon Fuels

The second stakeholder suggestion recommends that the cement industry explore the use of lower carbon content fuels, and makes specific reference to switching from the use of coal to natural gas. While such a fuel switch would be highly impractical, the cement industry is constantly searching for alternatives to conventional fuels, many of which have lower carbon contents than coal.

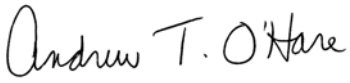
As mentioned above, it would be highly impractical for cement manufacturers to replace coal with natural gas. Of primary concern is the impact such a switch could have on emissions of nitrogen oxides. Due to its higher heat value, natural gas produces larger amounts of nitrogen oxides (NOx) versus coal when compared on an equivalent Btu basis. Thus, cement plant NOx emissions could be expected to increase significantly if coal were replaced with natural gas.

In addition, there are significant availability and logistical concerns with natural gas. Supplies are limited and not all facilities have access to natural gas pipelines. California already confronts the potential for shortages of natural gas to use for home heating purposes and is exploring the importation of liquefied natural gas (LNG). It is highly uncertain whether an LNG facility will ever receive an operating permit in California. Moreover, most cement plants in California are not accessible to a natural gas pipeline.

However, the cement industry currently does employ many alternatives to conventional fuels. A good example is tire-derived fuel. More than half of the cement plants in California are currently burning tires as a substitute for coal. The Climate Action Team recommended last year that the industry expand this practice as a climate change solution. PCA would be delighted to work with Cal EPA to expand this worthwhile practice.

Thank you for considering the views of PCA on these matters. I may be reached at (202) 408-9494 or aohare@cement.org to address any questions you may have regarding the industry's perspectives on the suggestions discussed above.

Sincerely,



Andrew T. O'Hare
Vice President, Regulatory Affairs

Cc: Dale Bonner, Secretary, Business, Transportation and Housing Agency
Dan Skopec, California EPA
Catherine Witherspoon, California Air Resources Board